



TOM TINDALL  
Director

## County of Los Angeles INTERNAL SERVICES DEPARTMENT

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*"To enrich lives through effective and caring service"*

June 14, 2011

To: Each Supervisor

From: Tom Tindall  
Director

A handwritten signature in black ink that reads "Tom Tindall".

Subject: **NOTICE OF INTENT TO ENTER INTO SOLE SOURCE NEGOTIATIONS  
WITH CISCO SYSTEMS FOR THE PROVISION OF COUNTYWIDE  
TECHNICAL EQUIPMENT MAINTENANCE SERVICES**

Pursuant to the applicable provisions of Board Policy 5.100, Sole Source Contracts, this correspondence is to provide your Board with advanced notification of our intent to enter sole source contract negotiations with Cisco Systems (Cisco) for the provision of technical equipment maintenance services, access to technical support, hardware replacements, and software updates on a countywide basis.

### Background

Technical maintenance services on approximately 8,500 pieces of existing Cisco equipment is currently provided to 20 County departments by thirteen Cisco partners (resellers) through 158 separate support agreements, at an annual cost of \$5.2 million.

With the exception of five contracts administered by the Internal Services Department (ISD) through the Board-approved Telecommunications Equipment and Services Master Agreement (TESMA), contract management is decentralized to the individual County departments.

ISD and the Chief Information Office (CIO) have been working with Cisco to identify opportunities to optimize this process. Through these efforts, Cisco has submitted a solution that will streamline the contracting process and produce significant savings over a five year period.

### Sole Source

Cisco has proposed to consolidate all existing County technical maintenance services contracts into a single contract directly with Cisco Systems, the Original Equipment Manufacturer (OEM). By establishing a direct OEM contract and consolidating the County's equipment maintenance services, the County can streamline the contracting process and save an estimated \$8 million over the five-year contract term. Under the new contract, the County would prepay five years' worth of equipment maintenance services, and finance the prepaid services over the five year term.

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In addition to ISD and the CIO, participants in these negotiations will also include representatives from the Chief Executive Office and County Counsel.

Unless otherwise instructed by your Board, we will proceed with the sole source negotiations within two weeks. If successful, we plan to bring a sole source contract before your Board in July 2011.

If you have any questions, please contact me at (323) 267-2101, or your staff may contact Joe Sandoval at (323) 267-2109.

TT:j

c: William T Fujioka, CEO  
Ellen Sandt, DCEO  
ISD Board Deputies  
Chief Information Officer  
County Counsel